

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 AGRE-00 SP-02 USIA-06 AID-05
NSC-05 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 COME-00 L-03
CIAE-00 INR-07 NSAE-00 ITC-01 /071 W
-----241913 029076 /46

R 241400Z FEB 77

FM AMCONSUL IZMIR
TO SECSTATE WASHDC 1774
INFO AMCONSUL ADANA
AMEMBASSY ANKARA
AMCONSUL ISTANBUL

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DEPT PASS USDA/FAS E.O. 11652: N/A

TAGS: EPAP, PINT, TU

SUBJECT: OPENING OF 1976 AEGEAN TOBACCO PRODUCERS MARKET

1. AEGEAN TOBACCO PRODUCERS MARKET FOR CROP HARVESTED IN 1976
OPENED FDX. 21, 40 DAYS LATER THAN PREVIOUS YEAR. GOT ANNOUNCED
TOP PRICE OF TL 50 PER KILO, ESTIMATED TO YIELD AVERAGE PRICE
OF TL 42 FOR TOTAL AEGEAN CROP OF 196,587 TONS. (FOR PREVIOUS
YEAR'S -- 1975 -- CROP OF 110,604 TONS GOT SET CEILING PRICE
OF TL 43 AND AVERAGE PRICE ACTUALLY PAID WAS TL 36.89.) WHEN
ANNOUNCING PRICE LEVELS, MINISTER OF CUSTOMS AND MONOPLIES O.

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OZTURK (RRP RPT RRP) ALSO ANNOUNCED DECISION GRANT FOR FIRST
TIME AN EXPORT SUBSIDY FOR TOBACCO WHICH WOULD AMOUNT TO 5
PERCENT TAX REBATE FOR EXPORTERS. IN ABSENCE OF CONFIRMATION
OF THIS SUBSIDY IN OFFICIAL GAZETTE, MERCHANTS REPORTEDLY
UNCERTAIN WHETHER IT IN FACT EXISTS AND SOME THEREFORE ARE
EXCLUDING IT FROM FACTORS AFFECTING PURCHASING DECISIONS.

2. AT THE END OF THE THRID DAY OF THE CURRENT MARKET TOTAL OF
161,061 TONS OF AEGEAN TOBACCO SOLD, OF WHICH 144,731 BOUGHT
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BY GOT MONOPOLY AND 16,330 BY PRIVATE SECTOR MERCHANTS.
(LAST AND PRECEDING YEARS' CORRESPONDING FIGURES WERE 100,300/
70,000/30,300 AND 124,000/57,000/67,000.)
EVI IN WEEKS PRECEDING MARKET OPENING RPP POLITICIANS HAD BEEN
ESPICALLY ACTIVE IN AEGEAN TOBACCO GROWING AREAS CRITICIZING
DEMIREL ADMINISTRATION TOBACCO POLICIES AND ENCOURAGING FARMERS'
EXPECTATIONS OF SUBSTANTIALLY INCREASED PRICE LEVELS. CON-

CURRENTLY, EXPORTERS AND MERCHANTS WERE VOICING SERIOUS (AND APPARENTLY SINCERE) CONCERN OVER ALREADY EXCESSIVE TOBACCO PRICE LEVELS. ALTHOUGH DENIED BY CUSTOMS AND MONOPOLIES MINISTER, GENERAL BELIEF IS THAT DELAY IN MARKET'S OPENING CAUSED BY POLITICALLY MOTIVATED INTRA-GOVERNMENT DISPUTE AS TO THESE

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LEVELS. OBSERVERS GENERALLY AGREE THAT PRICES AS NOW SET ARE SEVERAL LIRA HIGHER THAN ECONOMICALLY JUSTIFIED AND POLITICAL CLIMATE FURTHER MANIFESTED WHEN -- DISREGARDING LEGAL REQUIRZD MENT THAT PRODUCERS MARKET PRICES BE ANNOUNCED BY CUSTOMS AND MONOPOLIES MINISTER ON MORNING OF MARKET'S OPENING -- DEP PRIMIN ERBAKAN TOLD PUBLIC GATHERING IN AYDIN FEB. 19 WHAT PRICE LEVELS WOULD BE AND IMPLIED THESE RESULT OF NSP INITIATIVE. (OZTURK REPORTEDLY WAS INCENSED AND TELEPHONED PRIMIN DEMIREL SEEKING AUTHORITY TO INCREASE MAXIMUM PRICE TO SPITE ERBAKAN; THIS WAS DENIED BUT APPARENTLY OZTURK WAS AUTHORIZED TO INCREASE THE BOTTOM PRICE -- FOR LOWEST QUALITY -- FROM ERBAKA-ANNOUNCED TL 20 TO TL 22.)

4. AMCONGEN CONVERSATIONS WITH TOBACCO FARMERS INDICATE THAT THEY GENERALLY SATISFIED WITH THIS YEAR'S PRICES AND THAT THEREFORE RPP EFFORTS USE THIS ISSUE TO SUBVERT AEGEAN TOBACCO PRODUCERS TRADITIONAL JP INCLINATION APT BE FRUITLESS.

MOFFETT

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TOBACCO, EXPORT SUBSIDIES
Control Number: n/a
Copy: SINGLE
Sent Date: 24-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977IZMIR00051
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770064-0865
Format: TEL
From: IZMIR
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770214/aaaaamgf.tel
Line Count: 88
Litigation Code IDs:
Litigation Codes:
Litigation History: Hold (001 Tobacco) added on 4/16/2009 3:38:59 PM by WASHDCMcGoldRJ, Hold (001 Tobacco) removed on 4/16/2009 3:45:08 PM by WASHDCMcGoldRJ (Litigation Hold Lifted)
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 286ec1bf-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 07-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3243632
Secure: OPEN
Status: NATIVE
Subject: OPENING OF 1976 AEGEAN TOBACCO PRODUCERS MARKET
TAGS: EPAP, PINT, EAGR, TU
To: STATE
Type: TE
vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/286ec1bf-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009